No. 13333

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

PACIFIC CONTACT LABORATORIES, INC., MORRIS GREEN, and LEE W. HOGGAN,

Appellants,

vs.

SOLEX LABORATORIES, INC.,

Appellee.

APPELLANTS' PETITION FOR REHEARING EN BANC.

FILED

JAN - 7 1954

PAUL P. O'BRIEN
CLERK

MASON & GRAHAM,
COLLINS MASON,
WILLIAM R. GRAHAM,
811 West Seventh Street,
Los Angeles 17, California,
Attorneys for Appellants.

Parker & Company, Law Printers, Los Angeles. Phone MA. 6-9171.

TOPICAL INDEX

TABLE OF AUTHORITIES CITED

Cases

Statutes

No. 13333

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

PACIFIC CONTACT LABORATORIES, INC., MORRIS GREEN, and LEE W. HOGGAN,

Appellants,

vs.

SOLEX LABORATORIES, INC.,

Appellee.

APPELLANTS' PETITION FOR REHEARING EN BANC.

Believing that the questions presented are of sufficient importance to justify the request, appellants respectfully petition the Court, in the exercise of its discretion, to grant a rehearing *en banc*. The questions presented are:

I.

Where a Serious Infirmity Appears Upon the Face of a Patent Sued Upon, May, and Should Not, an Appellate Court Consider the Infirmity on Appeal, Even Though It Was Not Urged at the Trial?

The United States Supreme Court has answered this question in the affirmative, in *Muncie Gear Works v. Outboard, M. & Mfg. Co.*, 315 U. S. 759, 86 L. Ed. 1171, as follows:

> "We think the conclusion is inescapable that there was public use, or sale, of devices embodying the

asserted invention, more than two years before it was first presented to the Patent Office. We are not foreclosed from a decision under §4886 on the point by the obscurity of its presentation in the courts below. This issue has been fully presented to this Court by the petition for a writ of certiorari, and in subsequent briefs and argument; and there is not the slightest indication that respondents have been prejudiced by such obscurity. To sustain the claims in question upon the established and admitted facts would require a plain disregard of the public interest sought to be safeguarded by the patent statutes, and so frequently presented but so seldom adequately represented in patent litigation."

Although this Court has held that questions *requiring the hearing of testimony* cannot be considered on appeal unless they were considered below,[1] it has not, insofar as appellants have been able to determine, definitely passed upon the question of whether infirmities appearing *upon the face* of a patent in suit may be considered on appeal when they were not urged below.

However, in the instant case, without ruling as to whether it had a right to consider the questions *sua sponte,* this Court declined to consider the following points raised on appeal but not urged at the trial:

(a) That the Tuohy patent in suit is invalid because, as appears upon its face, its *claims* fail to particularly point out and distinctly describe the part, improvement or combination which the patent seeks to monopolize,[2] a

---

[1]*Baker v. Dean,* 80 F. 2d 658, 660; *Oxnard Canners, Inc. v. Bradley,* 194 F. 2d 655, 656.

[2]Appellants' Opening Brief, Point I(c), pp. 11-16.

requirement expressly held by this Court to be essential in *Vitamin Technologists v. Wisconsin Alumni Research Foundation,* 146 F. 2d 941;

(b) That the Tuohy patent in suit is invalid because, although it is an *article* patent, its claims attempt to define the subject-matter of the monopoly in terms of the *method* by which the lenses are fitted on the eyes of the ultimate purchaser,[3] condemned in *Burr v. Duryee,* 1 Wall. 531, 17 L. Ed. 650, and *Nestle-Le Mur Co. v. Eugene,* 55 F. 2d 854 (6th Cir.).

While it is true that those points are "technical," they go to the very fundamentals of a patent, and are expressly required not only by the former patent statute, 35 U. S. C. A. 33, but also by the new patent statute, 35 U. S. C. A. 112.

II.

Isn't a Patentee in an Infringement Action, Estopped to Assert a Position Which He Voluntarily Surrendered During Prosecution of the Patent Application Before the Commissioner of Patents?

The courts have uniformly answered this question in the affirmative.[4] However, in arriving at its decision in this case, the Court erroneously accorded to patentee Tuohy the status of inventor of the corneal type contact lens, despite the fact, as pointed out in appellants' opening brief,[5] that Tuohy voluntarily surrendered that position during prosecution of his patent application before the Commissioner of Patents.

---

[3]Appellants' Opening Brief, Point I(d), pp. 16-17.

[4]*Keith v. Charles E. Hires Co., Inc.,* 116 F. 2d 46 (2nd Cir.).

[5]Appellants' Opening Brief, Point I(a), p. 7.

III.

Does the New Patent Act Effect a Change Over the Prior Patent Statute With Respect to Award of Attorney's Fees?

This question has not yet been determined by the courts.

In the instant case, the court held the new patent statute to be controlling but affirmed the award of attorney's fees of $500.00, without ruling, and in the absence of any finding, as to whether or not this is an "exceptional" case.

The former patent statute, 35 U. S. C. A. 70, contained the following provision relating to attorney's fees.

> "The Court may in its discretion award reasonable attorney's fees to the prevailing party upon the entry of judgment on any patent case."

The new patent statute, 35 U. S. C. A. 285, however, provides as follows:

> "The Court in exceptional cases may award reasonable attorney's fees to the prevailing party."

Appellants submit that, in enacting the new patent act, it was the intention of Congress to limit the cases in which attorney's fees are allowable to those in which the losing party is guilty of "exceptional" bad faith. As pointed out in appellants' opening brief,[6] in the instant case the defendants commenced the alleged infringement *even before the patent in suit was applied for* and the suit was filed shortly after issuance of the patent. Believing the patent to be invalid, appellants continued the alleged infringement after the suit was filed.

---

[6]Appellants' Opening Brief, Point II, p. 18.

For the guidance of the lower courts, it is important that this Court construe the meaning of the word "exceptional" as used in the new patent statute. It hardly appears probable that the instant case is exceptional. If it were, no one would be able to challenge validity of a patent which he believes to be invalid, without risking the penalty of paying the patentee's attorney's fees.

IV.

Does the Patent Statute Authorize an Appellate Court to Award Attorney's Fees on Appeal in Addition to Those Awarded by the Trial Court?

Without discussing whether or not it had a statutory right to do so, this Court awarded appellee $250.00, as attorney's fees *on appeal,* in addition to the attorney's fees awarded by the trial court.

The cases appear to be silent on the point. The former patent statute, 35 U. S. C. A. 70, quoted above, only provided for award of attorney's fees "upon entry of judgment," which words were omitted from the new statute.

Generally, since award of attorney's fees to a successful litigant is contrary to sound public policy,[7] any authority for such an award must be derived from statute or from contract, and such statutes must be strictly construed. Therefore it appears questionable whether the patent statute authorizes any award of attorney's fees on appeal.

Wherefore, appellants submit that this petition should be granted, not only to correct what appellants believe

---

[7]*Oelrichs v. Williams,* 82 U. S. 211, 21 L. Ed. 43.

to be an injustice, but also for the purpose of providing guidance for the lower courts and patent litigants in future actions.

Respectfully submitted,

MASON & GRAHAM,
COLLINS MASON,
WILLIAM R. GRAHAM,
Attorneys for Appellants.

I, Collins Mason, attorney for appellants, petitioners above named, do hereby certify that the foregoing petition for rehearing is in my opinion well founded in law and that it is presented in good faith and not for delay.

COLLINS MASON.

January 6, 1954.